



Reprinted
April 1, 2003

ENGROSSED SENATE BILL No. 460

DIGEST OF SB 460 (Updated March 31, 2003 3:26 PM - DI 104)

Citations Affected: IC 12-14; IC 12-15; noncode.

Synopsis: Eligibility assistance for the disabled. Amends eligibility requirements for assistance for disabled individuals. Requires the office of Medicaid policy and planning, in cooperation with the attorney general's office, to contract with an outside vendor to conduct an annual audit of specified areas of the Medicaid program.

Effective: Upon passage; July 1, 2003.

Simpson

(HOUSE SPONSORS — BROWN C, BECKER)

January 21, 2003, read first time and referred to Committee on Health and Provider Services.

February 27, 2003, amended, reported favorably — Do Pass.

March 3, 2003, read second time, amended, ordered engrossed.

March 4, 2003, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 13, 2003, read first time and referred to Committee on Public Health.

March 20, 2003, reported — Do Pass.

March 31, 2003, read second time, amended, ordered engrossed.

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ES 460—LS 6085/DI 104+



Reprinted
April 1, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED SENATE BILL No. 460

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-14-15-1, AS AMENDED BY P.L.67-2000,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 1. Assistance shall be given to a needy disabled
4 individual (referred to as "disabled person" in this chapter) who meets
5 the following qualifications:

6 (1) Has a pending application on file with the federal Social
7 Security Administration for assistance under Public Law 92-603,
8 supplemental security income (SSI), or is receiving assistance.
9 However, a person whose application for assistance under Public
10 Law 92-603 has been denied but who meets all other
11 requirements of this chapter is eligible for supplemental
12 assistance.

13 (2) Has one (1) of the following:

14 (A) A physical or mental impairment, disease, or loss that is
15 verifiable by a physician licensed under IC 25-22.5, that
16 appears reasonably certain to result in death or ~~that has lasted~~
17 ~~or appears reasonably certain~~ to last for a continuous period of

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at least ~~four (4) years~~ **twelve (12) months** without significant improvement, and that substantially impairs the individual's ability to perform ~~labor or services or to engage in a useful occupation:~~ **activities of daily living.**

(B) A mental impairment, disease, or loss that is:

(i) diagnosed by a physician licensed under IC 25-22.5 or a health services provider in psychology licensed under IC 25-33-1; and

(ii) verifiable by a physician licensed under IC 25-22.5 or a psychologist licensed under IC 25-33;

that ~~has lasted or~~ appears reasonably certain to last for a continuous period of at least ~~four (4) years~~ **twelve (12) months** without significant improvement, and that substantially impairs the individual's ability to perform ~~labor or services or to engage in a useful occupation:~~ **activities of daily living.** Employment in a ~~sheltered workshop or under an approved vocational rehabilitation plan is not considered a useful occupation for the purposes of this chapter.~~ The determination of medical disability under this subdivision shall be made without reference to the individual's ability to pay for treatment.

(3) Does not have a parent, spouse, or other legally responsible relative able to support the individual.

(4) Is at least eighteen (18) years of age.

(5) Is residing and intends to remain in Indiana in a bona fide living arrangement.

(6) Has insufficient income or other resources to provide a reasonable subsistence according to the standards established by the division.

(7) Except as otherwise provided in this chapter, is not an inmate of or being maintained by a municipal, state, or national institution while receiving assistance.

(8) Has not, at any time within five (5) years immediately before the date of the filing of an application for assistance under this chapter, made an assignment or transfer of property for the purpose of making or that will make the individual eligible for assistance under this chapter, except as otherwise provided in this chapter.

SECTION 2. IC 12-15-2-6, AS AMENDED BY P.L.287-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) Subject to subsection (b), an individual who:

(1) is receiving monthly assistance payments under the federal

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Supplemental Security Income program; and

(2) meets the income and resource requirements established by statute or the office unless the state is required to provide medical assistance to the individual under ~~Section 209(b) of Public Law 92-603 passed by the United States Congress~~ **42 U.S.C. 1396a(f)** or under ~~Section 1619(b)(3) of the federal Social Security Act (42 U.S.C. 1382h);~~ **42 U.S.C. 1382h;**

is eligible to receive Medicaid.

(b) An individual who is receiving monthly disability assistance payments under the federal Supplemental Security Income program or the federal Social Security Disability Insurance program must meet the eligibility requirements specified in IC 12-14-15 unless the state is required to provide medical assistance to the individual under ~~Section 1619(b)(3) of the federal Social Security Act (42 U.S.C. 1382h);~~ **42 U.S.C. 1382h.**

(c) The office may not apply a spend down requirement to an individual who is eligible for medical assistance under ~~Section 1619(b)(3) of the federal Social Security Act (42 U.S.C. 1382h);~~ **42 U.S.C. 1382h.**

SECTION 3. [EFFECTIVE UPON PASSAGE] (a) The office of Medicaid policy and planning established by IC 12-8-6-1, in cooperation with the attorney general's office, shall contract with an outside vendor to conduct an annual audit of areas of the state Medicaid program, including:

(1) claims processing;

(2) provider billing practices; and

(3) overutilization of services by Medicaid recipients;

under the state Medicaid program, to identify overutilization, fraudulently submitted claims, and incorrectly paid billings or claims.

(b) If the audit conducted under subsection (a) discloses credible evidence to suggest fraudulent activity, the office of Medicaid policy and planning shall submit the audit data regarding the Medicaid contractor, provider, or recipient to the attorney general, the Health Professions Bureau under IC 25-1-5, and to each board and committee listed in IC 25-1-5-3(a)(1) through IC 25-1-5-3(a)(11) and IC 25-1-5-3(a)(13) through IC 25-1-5-3(a)(22) for further action.

(c) Information obtained or used in the audit required under subsection (a) that identifies an individual Medicaid contractor, provider, or recipient must be kept confidential unless the attorney general commences an official action by the state against the



1 **fraudulent activity.**

2 **(d) The office of Medicaid policy and planning shall report to**
3 **the state budget committee and the select joint commission on**
4 **Medicaid oversight upon request regarding the office's**
5 **implementation of this SECTION.**

6 **(e) This SECTION expires December 31, 2007.**

7 **SECTION 4. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 460, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-14-15-1, AS AMENDED BY P.L.67-2000, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. Assistance shall be given to a needy disabled individual (referred to as "disabled person" in this chapter) who meets the following qualifications:

(1) Has a pending application on file with the federal Social Security Administration for assistance under Public Law 92-603, supplemental security income (SSI), or is receiving assistance. However, a person whose application for assistance under Public Law 92-603 has been denied but who meets all other requirements of this chapter is eligible for supplemental assistance.

(2) Has one (1) of the following:

(A) A physical or mental impairment, disease, or loss that is verifiable by a physician licensed under IC 25-22.5, that appears reasonably certain to result in death or ~~that has lasted or appears reasonably certain~~ to last for a continuous period of at least ~~four (4) years~~ **twelve (12) months** without significant improvement, and that substantially impairs the individual's ability to perform ~~labor or services or to engage in a useful occupation:~~ **activities of daily living.**

(B) A mental impairment, disease, or loss that is:

(i) diagnosed by a physician licensed under IC 25-22.5 or a health services provider in psychology licensed under IC 25-33-1; and

(ii) verifiable by a physician licensed under IC 25-22.5 or a psychologist licensed under IC 25-33;

that ~~has lasted or~~ appears reasonably certain to last for a continuous period of at least ~~four (4) years~~ **twelve (12) months** without significant improvement, and that substantially impairs the individual's ability to perform ~~labor or services or to engage in a useful occupation:~~ **activities of daily living.** Employment in a sheltered workshop or under an approved vocational rehabilitation plan is not considered a useful occupation for the

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~~purposes of this chapter.~~ The determination of medical disability under this subdivision shall be made without reference to the individual's ability to pay for treatment.

(3) Does not have a parent, spouse, or other legally responsible relative able to support the individual.

(4) Is at least eighteen (18) years of age.

(5) Is residing and intends to remain in Indiana in a bona fide living arrangement.

(6) Has insufficient income or other resources to provide a reasonable subsistence according to the standards established by the division.

(7) Except as otherwise provided in this chapter, is not an inmate of or being maintained by a municipal, state, or national institution while receiving assistance.

(8) Has not, at any time within five (5) years immediately before the date of the filing of an application for assistance under this chapter, made an assignment or transfer of property for the purpose of making or that will make the individual eligible for assistance under this chapter, except as otherwise provided in this chapter."

Page 1, line 3, reset in roman "Subject to subsection (b),".

Page 1, line 3, delete "An" and insert "an".

Page 1, line 4, reset in roman "(1)".

Page 1, line 5, after "program" insert ";".

Page 1, line 5, reset in roman "and".

Page 1, reset in roman lines 6 through 7.

Page 1, line 8, reset in roman "assistance to the individual under".

Page 1, line 9, after "Congress" insert "**42 U.S.C. 1396a(f)**".

Page 1, line 9, reset in roman "or under".

Page 1, line 10, after "1382h);" insert "**42 U.S.C. 1382h;**".

Page 1, reset in roman lines 12 through 15.

Page 1, line 16, reset in roman "required to provide medical assistance to the individual under".

Page 1, line 17, after "1382h)." insert "**42 U.S.C. 1382h.**".

Page 2, line 1, reset in roman "(c)".

Page 2, line 1, delete "(b)".

Page 2, line 2, strike "Section".

Page 2, line 3, strike "1619(b)(3) of the federal Social Security Act (42 U.S.C. 1382h)." and insert "**42 U.S.C. 1382h.**".

Page 2, after line 3, begin a new paragraph and insert:

"SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The office of Medicaid policy and planning established by IC 12-8-6-1, in

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cooperation with the attorney general's office, shall contract with an outside vendor to conduct an annual audit of areas of the state Medicaid program, including:

- (1) claims processing;
- (2) provider billing practices; and
- (3) overutilization of services by Medicaid recipients;

under the state Medicaid program, to identify overutilization, fraudulently submitted claims, and incorrectly paid billings or claims.

(b) If the audit conducted under subsection (a) discloses credible evidence to suggest fraudulent activity, the office of Medicaid policy and planning shall submit the audit data regarding the Medicaid contractor, provider, or recipient to the attorney general for further action.

(c) Information obtained or used in the audit required under subsection (a) that identifies an individual Medicaid contractor, provider, or recipient must be kept confidential unless the attorney general commences an official action by the state against the fraudulent activity.

(d) The office of Medicaid policy and planning shall report to the state budget committee and the select joint commission on Medicaid oversight upon request regarding the office's implementation of this SECTION.

(e) This SECTION expires December 31, 2007.

SECTION 3. An emergency is declared for this act."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 460 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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SENATE MOTION

Mr. President: I move that Senate Bill 460 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

(Reference is to SB 460 as printed February 28, 2003.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 460, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 13, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 460 be amended to read as follows:

Page 3, line 34, delete "general" insert "**general, the Health Professions Bureau under IC 25-1-5, and to each board and committee listed in IC 25-1-5-3(a)(1) through IC 25-1-5-3(a)(11) and IC 25-1-5-3(a)(13) through IC 25-1-5-3 (a)(22)**".

(Reference is to ESB 460 as printed March 21, 2003.)

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